



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

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**Annual statistical report on the procurement activities of
the United Nations system, 2007***

**Goods and services, international project personnel, United Nations
volunteers, and fellowships**

Executive summary

The Executive Director submits the present report of United Nations system procurement data to the Executive Board pursuant to its decision 2007/38. The complete report may be obtained in the language of submission (English) from the Executive Board secretariat at the United Nations Global Marketplace site (<http://ungm.org/default.aspx?pid=87>). The report provides details on United Nations system procurement by country of supply.

Total United Nations system procurement under all sources of funding during 2007 was \$10.08 billion, which represents an increase of \$679.5 million over the previous year. The share of procurement from developing countries declined by 1.3 per cent to 53.5 per cent.

The complete 2007 report contains:

- (a) An executive summary featuring a trend analysis of United Nations procurement from developing countries and countries with economies in transition;
- (b) Analysis of United Nations contracts placed with companies that are signatories to the Global Compact of the United Nations;
- (c) Tables listing combined United Nations system procurement, by country of supply;
- (d) Tables listing procurement, by individual United Nations organization and by country of supply;
- (e) Summary sheets on procurement from countries members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development;
- (f) Summary sheets on procurement from the top 20 developing countries and countries with economies in transition;
- (g) The top 10 product groups/items procured by the United Nations system;
- (h) A section covering major equipment and services (over \$30,000) procured by the United Nations system; and
- (i) A summary of project personnel, by nationality.

* The compilation of data required to provide the Executive Board with the most current information has delayed submission of



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Introduction

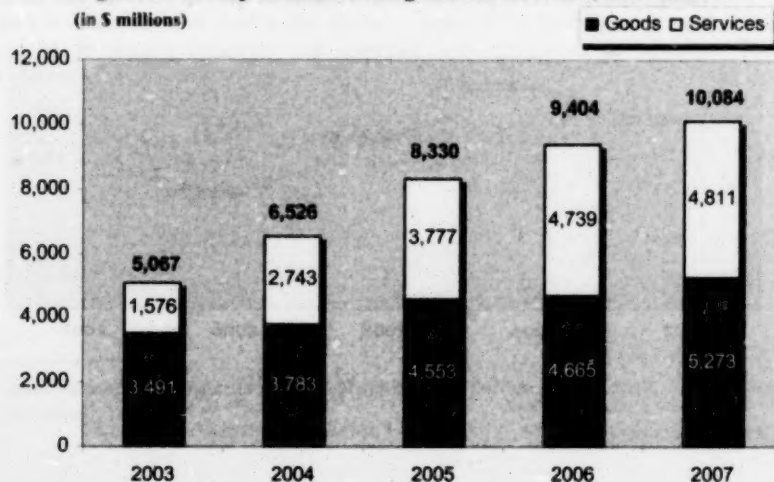
1. The annual statistical report on the procurement activities of the United Nations system, 2007, was prepared by the United Nations Office for Project Services (UNOPS), which has assumed responsibility for collecting and compiling United Nations system-wide procurement data following the partial merger between UNOPS and the Inter-Agency Procurement Services Office in January 2008.
2. The 2007 report analyzes procurement from developing countries and countries with economies in transition, and examines United Nations system performance, in response to General Assembly resolution 57/279 of January 2003 on procurement reform, which encouraged United Nations organizations to increase opportunities for vendors in developing countries and countries with economies in transition. Significant progress has been made towards achieving that objective (figures 3-8, below, provide details).
3. In addition, the 2007 report looks at procurement by United Nations organizations from vendors that support the 'Global Compact'. The Compact measures engagement by the United Nations system with companies that take corporate social responsibility seriously, an increasingly important consideration in the global marketplace. While United Nations organizations give no preferential treatment to Compact signatories, the percentage of registered Compact vendors receiving United Nations contracts increasing.
4. The 2007 statistical report compiles information supplied by 33 United Nations organizations. UNOPS relies entirely on the cooperation of the reporting entities. In general, response rates were satisfactory, and data quality has improved with the use of better reporting tools. Five United Nations entities did not provide data for 2007.
5. Whereas previous reports distinguished between UNDP procurement under national execution or direct execution and procurement by UNDP headquarters, the new format reports on UNDP procurement as a whole (except for UNDP/IAPSO).
6. Data is reported on goods, based on countries of supply, and on services, based on the locations of contractors' head offices. Procurement orders and service contracts are reported by contract amount rather than by expenditures incurred. Most United Nations entities cannot at present report data based on country of origin of goods, or on actual expenditures.

I. Total procurement of goods and services for operational activities of the United Nations system

7. The overall procurement volume – goods and services combined – of United Nations organizations increased to \$10.08 billion in 2007 from \$9.4 billion in 2006, a gain of about

Figure 1. Total procurement of goods and services, 2003-2007

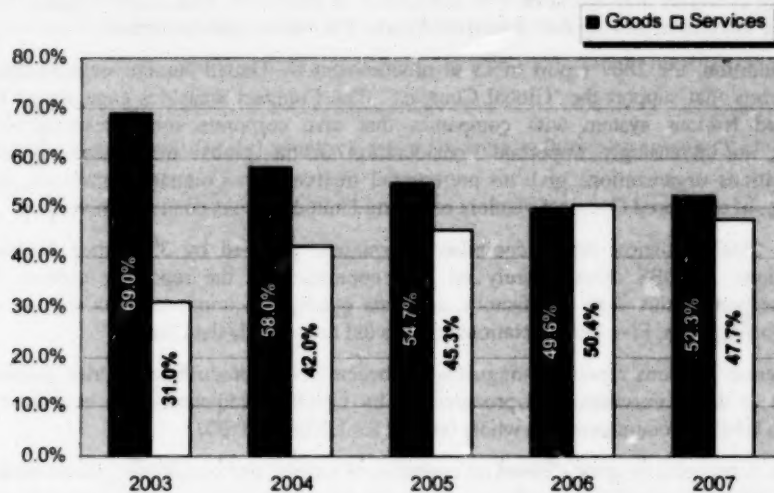
(in \$ millions)



6.7 per cent. Procurement of *goods* went up \$608 million, a rise of 2.7 per cent of total procurement volume, while procurement of *services* grew \$71 million but decreased its share by 2.7 per cent of total procurement volume. From 2003 to 2007, United Nations procurement doubled in volume from \$5.07 billion to \$10.08 billion, primarily attributable to a \$3.2 billion growth in the procurement of services over the period.

8. From 2003 to 2006, United Nations system procurement of services rose as a share of total procurement, slightly surpassing the procurement share of goods in 2006. The 2007 data show a reversal of this trend: the procurement of goods exceeded that of services by 4.6 per cent.

Figure 2. Proportion of goods and services procured, 2003-2007



II. Top 10 major countries of supply to the United Nations system, 2007

9. The percentage share of total goods and services procured from the top ten suppliers to the United Nations system decreased between 2003 and 2007 (see figure 3). United Nations system sourcing strategies therefore appear to be succeeding in broadening the general distribution of procurement opportunities to vendors.

Figure 3. Percentage share of total procurement volume of the top 10 countries to supply the United Nations system

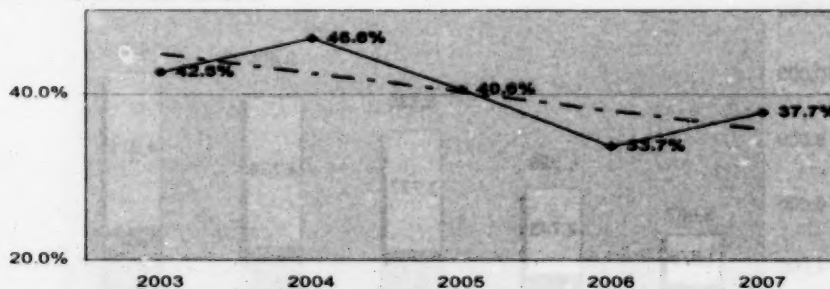


Table 1. Top 10 countries supplying United Nations operations in 2007
(in \$ millions)

USA	320.2	394.2	714.4	7.1%
INDIA	511.7	58.7	570.4	5.7%
SWITZERLAND	304.6	98.9	403.5	4.0%
FRANCE	288.4	43.5	331.9	3.3%
ITALY	212.9	98.8	311.8	3.1%
PANAMA	91.7	218.0	309.8	3.1%
UNITED KINGDOM	171.5	123.5	295.0	2.9%
AFGHANISTAN	22.8	267.6	290.4	2.9%
BELGIUM	279.7	10.5	290.1	2.9%
RUSSIAN FEDERATION	48.4	235.4	283.9	2.8%
Top-Ten Total	2,252.1	1,549.2	3,801.2	37.7%
Grand Total	5,273.1	4,010.9	10,084.0	100.0%

10. The 10 major countries to supply United Nations organizations in 2007 included three developing countries – India, Panama and Afghanistan. India has appeared on the list since 2000, and in 2007 it was the second largest supplier to the United Nations system, with a 5.7 per cent share of total procurement volume. Procurement from India includes pharmaceuticals, medical equipment, cold chain equipment and diagnostic test kits, procured primarily by the United Nations Children's Fund (UNICEF)¹. Procurement from Panama and Afghanistan mainly took the form of construction contracts executed by UNDP and UNOPS with national vendors.

III. Procurement by United Nations organizations, 2006-2007

11. Table 2, below, lists individual United Nations organization procurement volumes for 2006 and 2007. Data is presented by the percentage share from developing countries and countries with economies in transition. Of the 33 reporting United Nations organizations, 73 per cent increased their procurement volume over the previous year. UNDP recorded the largest volume increase during the period – some \$173 million – although for UNDP the share of developing countries and countries with economies in transition decreased by 7.4 per cent.

¹ For further information, please refer to the annual statistical report on procurement, 2007, 'Procurement from developing countries', page 81.

Table 2. Procurement, including percentage procured in developing countries and countries with economies in transition, by United Nations organization, 2006-2007
(in \$ millions)

ESCAP	3.1	3.6	6.7	91.0%	5.0	6.3	11.3	89.3%
ESCWA	3.1	1.2	4.3	59.7%	2.4	2.4	4.8	78.3%
ECE	Data included in UNOG figures				Data included in UNOG figures			
ECLAC	1.3	2.3	3.5	74.9%	3.5	6.7	10.2	77.9%
FAO	58.4	41.1	99.5	35.2%	54.0	30.8	84.8	40.5%
IAEA	67.9	29.4	97.3	15.6%	86.2	45.1	131.3	10.2%
IFAD	1.0	24.4	25.5	1.2%	1.6	28.0	29.7	1.1%
ILO	21.6	56.4	78.0	60.0%	32.2	38.1	70.2	43.1%
INSTRAW	Data not submitted				0.1	0.0	0.1	100.0%
ITC	1.2	2.2	3.4	15.8%	1.1	4.4	5.5	14.5%
OPCW	Data not submitted				5.6	10.9	16.6	0.1%
PAHO	227.2		227.2	35.5%	293.8		293.8	36.2%
UNCTAD	0.8	1.7	2.5	98.5%	0.4	1.6	2.0	98.9%
UNDP	656.0	1,595.1	2,251.1	88.0%	627.1	1,797.0	2,424.1	80.6%
UNDP/APS0	119.4	19.2	138.7	11.5%	93.0	13.2	106.2	1.3%
UNECA	1.5		1.5	18.1%	4.3		4.3	24.1%
UNESCO	78.0	166.5	244.4	46.8%	66.0	165.2	231.2	47.1%
UN/DPKO	Data included in UN/PS figures				Data included in UN/PS figures			
UNFPA	104.0	26.7	130.7	62.5%	177.9	45.9	223.8	50.1%
UNHCR	52.2	36.9	89.1	30.6%	82.3	45.2	127.5	27.6%
UNICEF	1,207.4		1,207.4	45.4%	1,368.5		1,368.5	47.2%
UNIDO	19.3	33.8	53.1	64.7%	22.5	32.4	54.9	71.3%
UN/PS	947.7	1,047.5	1,995.2	44.5%	873.1	1,031.2	1,904.3	40.6%
UNOG	9.7	22.2	31.8	2.4%	21.8	47.1	68.9	0.8%
UNON	12.4	26.3	38.7	56.7%	14.0	14.0	27.9	30.2%
UNOPS	81.8	475.9	557.7	74.0%	205.9	453.0	658.9	79.6%
UNOV	5.0	5.1	10.1	3.3%	8.0	14.4	22.4	8.0%
UNRWA	103.7	60.6	164.2	83.1%	138.5	41.5	180.1	85.1%
UNU	0.0		0.0	0.00%	0.1	2.6	2.7	13.8%
UNV		2.3	2.3	0.00%	0.9	2.9	3.8	9.6%
UPU	0.5		0.5	69.9%	0.7		0.7	80.0%
WFP	709.6	1,053.0	1,762.7	38.9%	885.5	923.0	1,808.4	43.6%
WHO	132.8		132.8	10.3%	142.1		142.1	23.0%
WIPO	31.9		31.9	2.5%	51.3		51.3	1.6%
WMO	6.8	5.6	12.4	8.3%	3.8	7.9	11.7	12.2%
WTO	0.0	0.1	0.2	86.7%	Data not submitted			
TOTAL	4,864.3	4,293.3	9,157.6	48.4%	5,444.3	4,293.3	9,737.6	55.4%

* Data was not submitted by ICAO, ICTR, ICTY and ITU.

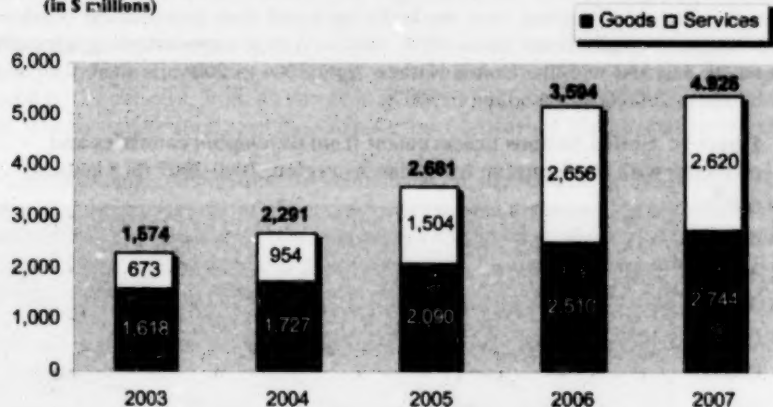
IV. Procurement from developing countries and countries with economies in transition

12. General Assembly resolution 57/279, of January 2003, on procurement reform, encouraged United Nations organizations to increase sourcing opportunities for suppliers from developing countries and countries with economies in transition. General Assembly

resolution 61/246, of March 2007, reiterated the request. In response, United Nations organizations have placed more orders with suppliers from these countries. The growth of such orders has tripled in dollar terms from 2003 to 2007, as shown in figure 4, below.

Figure 4. United Nations procurement from developing countries and countries with economies in transition, 2003-2007

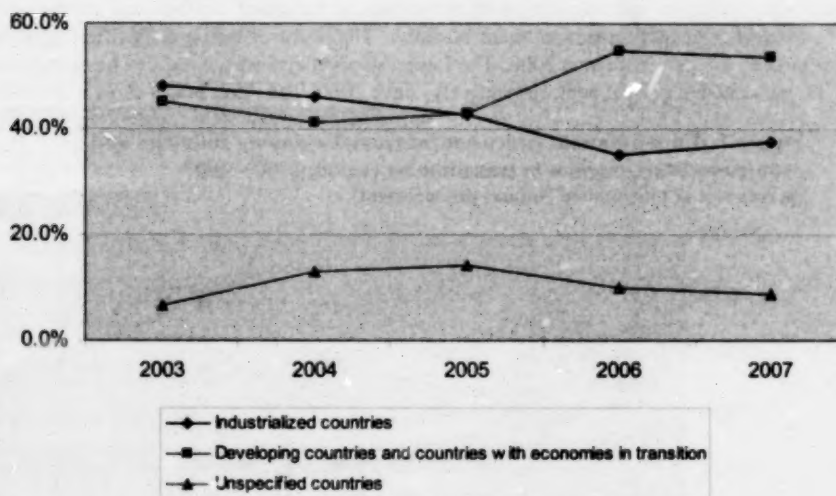
(in \$ millions)



13. Although procurement from developing countries and countries with economies in transition increased by \$198 million in 2007 over 2006, their share of overall total procurement volume decreased by 1.3 per cent. Of note, procurement from these countries exceeded 50 per cent of total United Nations procurement volume in 2006 (54.93 per cent) and 2007 (53.58 per cent).

Figure 5. United Nations procurement from industrialized countries, developing countries and countries with economies in transition, 2003-2007

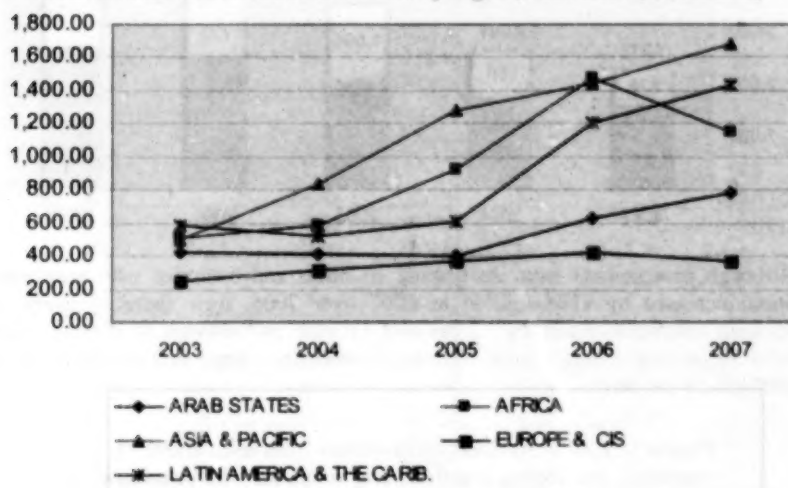
(as a percentage of total procurement volume)



V. Procurement from developing countries and countries with economies in transition, by region

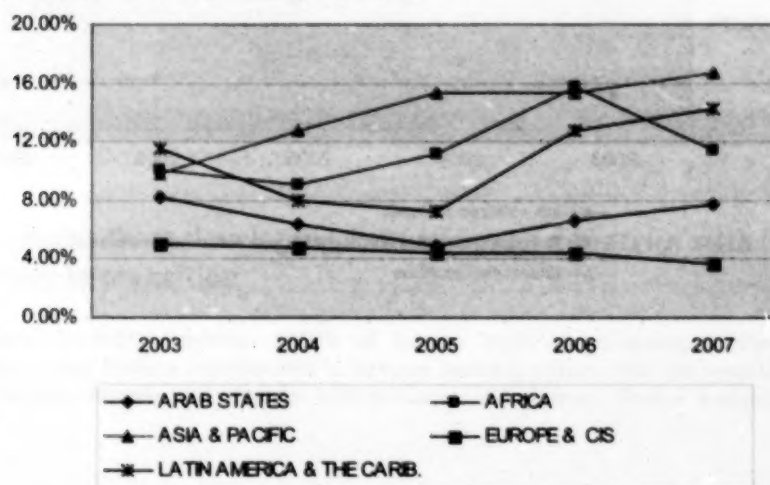
14. Analysis by region of United Nations procurement from developing countries and countries with economies in transition shows that the rising total procurement volume has benefitted all regions since 2003. Except for Europe and the Commonwealth of Independent States, all regions have markedly increased their procurement business with United Nations organizations since 2005. While Africa experienced rapid growth in procurement business with the United Nations from 2004 to 2006, its share declined from \$1.47 billion in 2006 to \$1.14 billion in 2007.

Figure 6. United Nations procurement from developing countries and countries with economies in transition by region, 2000-2007 (in \$ millions)



15. Regional data on the percentage share of United Nations procurement from developing countries and countries with economies in transition confirm that most regions have enjoyed a growth in procurement business. The share of the Asia Pacific region has increased by 8.6 per cent since 2000. The Latin America and Africa regions have increased by 3.6 per cent and 3.1 per cent, respectively, since 2000. The Arab States show a decrease

Figure 7. United Nations procurement from developing countries and countries with economies in transition by region, 2000 - 2007 (percentage of total United Nations procurement)



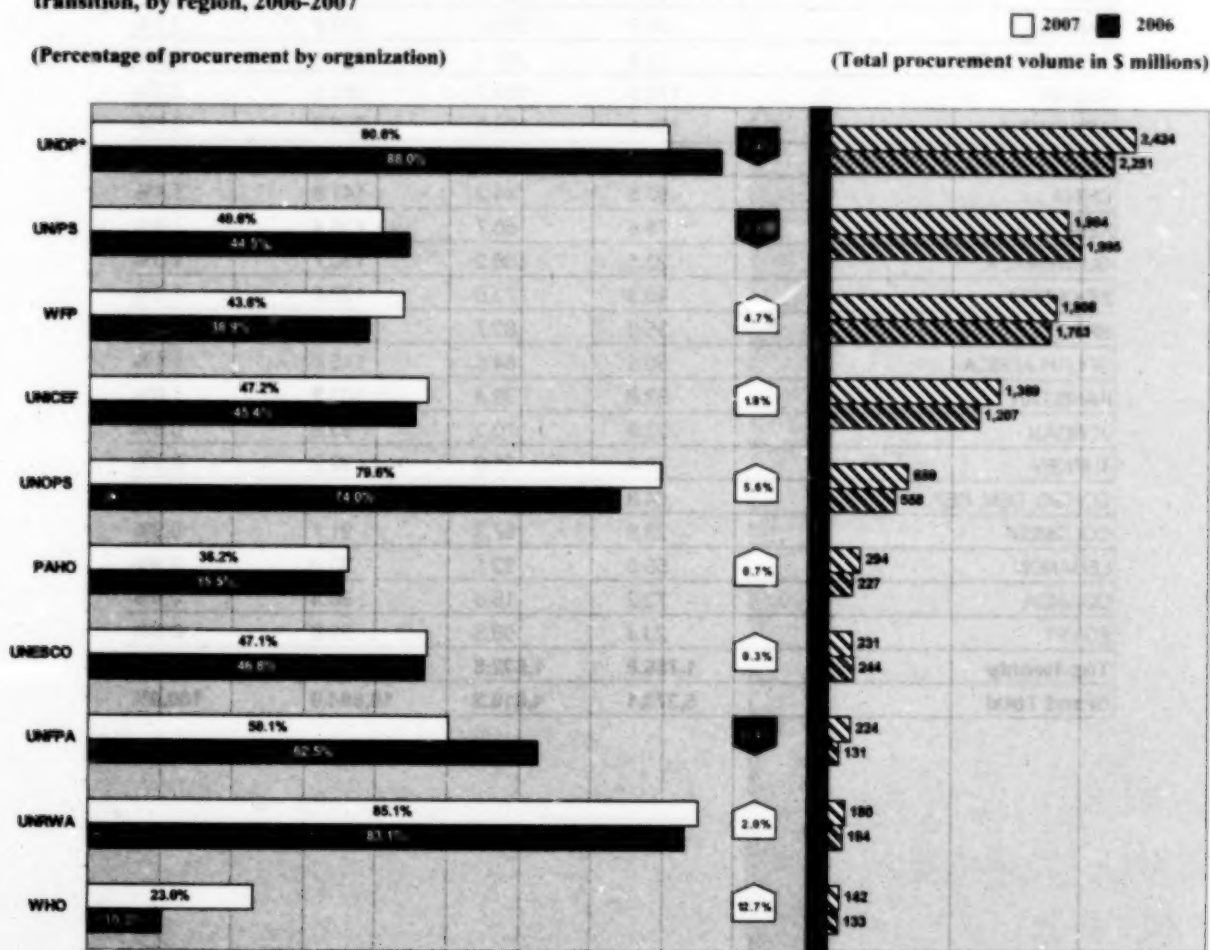
of 0.5 per cent for the period and Europe and the Commonwealth of Independent States decreased their share by 1.4 per cent.

VI. Procurement from developing countries and countries with economies in transition, by United Nations organization

16. The aggregate procurement of goods and services by the 33 reporting United Nations organizations from developing countries and countries with economies in transition increased by 13 per cent, from 48 per cent in 2006 to 61 per cent in 2007, indicating that United Nations organization sourcing strategies have broadened the distribution of vendors.

17. The following graph presents the procurement, in percentages, by the 10 largest United Nations agencies, funds and programmes by procurement volume (91.6 per cent of total procurement) from developing countries and countries with economies in transition in 2007, as well as the percentage change as compared with 2006. (Organizations are listed in descending order of actual volume, detailed in the section to the right in figure 8, below.)

Figure 8. United Nations organization procurement from developing countries and countries with economies in transition, by region, 2006-2007



VII. Top 20 developing countries and countries with economies in transition supplying United Nations operations in 2007

18. In total, procurement of goods and services from the top 20 developing countries and countries with economies in transition represents 33.7 per cent of overall United Nations procurement volume, an increase of 1 per cent over 2006. For a detailed overview of procurement volume trends, categories of goods and services procured, as well as the share of each United Nations organization for each of the countries listed in table 3, below, please refer to the complete annual statistical report on procurement, 2007, available at <http://ungm.org/default.aspx?pid=87>.

Table 3. Top 20 developing countries and countries with economies in transition supplying United Nations operations in 2007

INDIA	511.7	58.7	570.4	5.7%
PANAMA	91.7	218.0	309.8	3.1%
AFGHANISTAN	22.8	267.6	290.4	2.9%
SUDAN	172.8	108.7	281.5	2.8%
ARGENTINA	156.1	108.8	265.0	2.6%
PERU	90.5	93.2	183.7	1.8%
CHINA	97.6	44.2	141.8	1.4%
KENYA	74.6	60.7	135.4	1.3%
GUATEMALA	22.5	108.2	130.7	1.3%
INDONESIA	48.3	72.5	120.8	1.2%
BRAZIL	35.9	82.7	118.6	1.2%
SOUTH AFRICA	50.5	64.5	115.0	1.1%
PAKISTAN	63.8	39.4	103.2	1.0%
JORDAN	23.6	70.3	93.8	0.9%
TURKEY	70.4	21.8	92.2	0.9%
CONGO, DEM. REP.	54.8	37.2	92.0	0.9%
COLOMBIA	23.8	67.3	91.1	0.9%
LEBANON	58.8	32.1	90.9	0.9%
UGANDA	72.2	18.3	90.4	0.9%
EGYPT	23.4	58.3	81.8	0.8%
Top-twenty	1,766.0	1,632.6	3,398.6	33.7%
Grand Total	5,273.1	4,810.9	10,084.0	100.0%